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TAGS: [E](#)[A](#)[I](#)[D](#) [S](#)[E](#)[N](#)[V](#) [C](#)[H](#)
SUBJECT: STATUS OF USAID/OFDA ASSISTANCE USED FOR SICHUAN EARTHQUAKE
RELIEF

REF: A) Beijing 2410 B) Beijing 1848

SUMMARY

11. (SBU) On July 30-August 2, 2008, ESTHOFFS met with representatives from the International Federation of Red Cross and Red Crescent Societies (IFRC) in Chengdu to review the status of the USD 500,000 donation disbursed by USAID's Office of Foreign Disaster Assistance (OFDA) on May 21 in response to IFRC's May 15 appeal for disaster relief funds. As part of the review process, ESTHOFFS toured localities in Guangyuan and Deyang Prefectures--both with residents currently using tents procured through this donation--speaking to local relief workers and government officials responsible for distributing the tents, and interviewing dozens of beneficiary families. Procedures for tent procurement and distribution used by IFRC and their local Chinese Red Cross partners were judged to be reasonable and satisfactory. However, one pending issue that may require additional attention is the current lack of clear, centralized guidance from IFRC to its Chinese partners regarding ownership and disposal of used tents. END SUMMARY.

BACKGROUND

12. (U) The 7.8 magnitude earthquake that ravaged Sichuan Province on May 12 left an estimated 500,000 structures damaged and 4.8 million people homeless, the majority of which resided in rural areas. On May 13 Ambassador Randt issued a disaster declaration, requesting that USAID/OFDA authorize USD 500,000 to assist in relief efforts. USAID/OFDA pledged on May 15 to contribute the amount to the IFRC's appeal for aid, and the funds were disbursed on May 21 (REFS A and B). (NOTE: Other major foreign government donors were Japan with

USD 1.7 million, Ireland with USD 1.5 million, Canada with USD 975,000, and Netherlands with 775,000. END NOTE)

13. (U) Upon receiving the funds from USAID/OFDA, the IFRC agreed to use the funds within 90 days of receipt, as well as to the following conditions:

- Document that reasonable steps were taken to ensure that all purchases made with the grant are made at reasonable prices and from reasonable sources;
- Maintain complete records of all expenditures made with the grant for a period of three years after expiration of the grant, and make such records available to the United States Embassy Beijing or its representatives at any time;
- At the Embassy's request, refund any funds received that represent costs determined by the Embassy as not meeting the terms and conditions of this grant; and
- At the Embassy's request, facilitate Embassy officials' travel to affected regions to ensure that relief goods have reached the intended disaster victims.

OVER 1400 TENTS PROCURED AND SHIPPED AT REASONABLE COST

14. (U) According to records provided to ESTHOFFS by the IFRC Chengdu office, IFRC procured and distributed over 64,000 tents using funds received through its May 15 emergency appeal (about 1,400 of which were procured using USAID/OFDA's USD 500,000 donation). All of the funds donated by USAID/OFDA have been used, well before the 90-day deadline. Since few of IFRC's national member societies had large stocks of tents on hand to shift toward relief efforts in Sichuan, IFRC made the decision to procure these tents through the Iranian Red Crescent Society, who not only had a sizeable stock available

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but also had access to production facilities with the capacity to produce a large number of high-quality tents quickly. The first of 27 shipments of these tents began arriving in Chengdu on June 19 at a cost of approximately USD 350 per tent--roughly USD 310 for the tent itself and USD 40 for transport of it. Shipments were logged and processed in Chengdu before being transported to prefecture-level Red Cross representatives for further distribution to the county, township, and village levels. The last shipment of these tents arrived in Chengdu on June 28.

15. (U) NOTE: Tents continue to be a crucial component of sheltering during the recovery process. Prefabricated housing structures have been erected to house township residents until new towns can be planned and built. Residents living near village centers are increasingly building transitional shelters to live in until their original homes can be rebuilt. However, for farmers living near their fields far from village centers or in the remote highland areas, the one-family tent likely will be the only shelter available to them for at least the next year, until government subsidies for permanent shelter reconstruction (20,000 RMB per family of likely cost of 80,000-100,000 RMB per housing unit). END NOTE

EVIDENCE OF TRANSPARENT AND EQUITABLE DISTRIBUTION

16. (U) IFRC arranged for ESTHOFFS (accompanied by USAID Public Private Partnerships Advisor currently based in Chengdu and Chengdu CONOFF) to meet with local Red Cross officials, tour distribution centers, meet with town and village leaders, and interview randomly-selected beneficiaries in the prefectures of Guangyuan (Qingchuan County, Jianfeng Township) and Deyang (Mianzhu County, Hanwang Town, Xiangshan and Dongpu Villages). According to IFRC, decisions on how many tents to allocate to each prefecture, county, township, and village, were based upon numbers of survivors and households collected and reported by village chiefs. The numbers were then collated by Chinese Red Cross representatives at the township, county, and prefecture levels, and eventually reported to the provincial distribution center in Chengdu that processed each incoming shipment of tents. (NOTE: These local representatives are typically employees of the local health bureau and have a dual function of serving as the local Red Cross coordinator when necessary. END NOTE)

17. (U) Village chiefs calculated the number of tents needed in his/her village using a ratio of one tent per household of 3 to 4 members, with additional tents requested for larger-sized families as needed. In one instance, ESTHOFFS observed that village chiefs

had even requested, received, and stored tents for residents known to be away receiving earthquake injury-related medical care, so that they too would have temporary shelter waiting for them upon their return to the village. In another instance a township school principal made a point of setting aside tents to be used at four remote branch schools for housing students who normally board on campus during the school year (their own families' homes being too distant to commute to and from on a daily basis).

¶8. (U) Accounting practices varied greatly at each level of distribution and with each locality, including spreadsheets and signed shipping receipts produced instantly upon request; a school blackboard filled with dates and names documenting when families received tents; as well as signature lists posted in the village square containing signatures showing that every family needing a tent had received one. Storage facilities for tents being held for future recipients appeared to be well-secured and well-monitored. ESTHOFFS did not see evidence of families lacking for tent shelter (be it from IFRC, other foreign Red Cross/Red Crescent Societies and

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relief organizations, or from the government), and beneficiaries all received tents within a day or two of the shipment's arrival in Chengdu. There did not appear to be excess or unaccounted for tents being stored at the village or township level. According to IFRC, Sichuan Red Cross did end up with an excess of 18,000 tents that were not distributed to beneficiaries, but these tents have been kept in storage facilities in Chengdu and at the prefecture level to build capacity for responding to future emergencies.

IFRC TENTS ARE ONE USE ONLY--NOT TO BE RECOLLECTED

¶9. (U) While beneficiaries seemed uniformly to be satisfied with the quality of the tents procured through the Iranian Red Crescent Society, ESTHOFFS nevertheless saw dozens of instances where tent roofs were leaking rainwater into the tent, and water was pooling either beneath the vinyl floor of the tent or actually inside the tent. End users devised numerous methods to combat these defects, including placing an extra tarp over the top of the tent, digging trenches around tents to provide better drainage, and positioning tents on top of wooden pallets to lift them out of pools of water.

¶10. (U) IFRC representatives told ESTHOFFS that the tents, while of high quality and durable enough for use over a long period of time, still were intended for one use only. Once the tents have been deployed and exposed to moisture and dirt, they cannot easily be repacked for future use and are likely to disintegrate over time while in storage. For this reason, and also so that local Red Cross representatives do not have to deal with the logistical hassle of recollecting and accounting for tents back up the distribution chain, IFRC's normal policy is to have relief materials (including tents) remain only with the beneficiaries after disbursement.

¶11. (SBU) In interviewing local officials and Red Cross representatives, ESTHOFFS learned that IFRC's Beijing office had not adequately relayed this guidance to counterparts in Chinese Red Cross Society headquarters in Beijing or to the Ministry of Civil Affairs. Local officials are in fact working under the assumption that they eventually will be responsible for collecting and accounting for used tents, and seeing that they are transported to centralized storage facilities. (NOTE: The Chinese Red Cross representative in Deyang Prefecture had even succeeded in obtaining additional government funding to build a storage facility to house relief supplies, based on the anticipated need to store a large number of used tents in the near future. END NOTE) Some beneficiaries also were surprised to hear that they could and should keep their own tents, instead assuming that the tents they were using were only "lent" to them, and that they have a patriotic duty to relinquish them for use in future disaster relief efforts.

¶12. (U) In Jianfeng (Guangyuan Prefecture), where a large portion of the population already had received the 2000 RMB government subsidy (REF A) for each self-built transitional shelter (largely of salvaged materials, plywood, and corrugated sheet metal), local officials were demanding that beneficiaries give up their tents before they could receive the payment. (NOTE: IFRC told ESTHOFFS that this was because Chinese government-issued tents do in fact have to be collected in this manner, so for fairness, and so that local officials are not left with a situation of only some families being allowed to keep the tent they were issued, officials simply

opted to adopt a uniform policy of collecting all used tents. END
NOTE)

¶13. (U) At ESTHOFFS' request, IFRC representatives did make great efforts at each visited site to increase awareness of IFRC's non-collection policy and the inadequacy of these tents for reuse in future disasters. Furthermore, to avoid a situation of local Red

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Cross officials assuming that the used tents they have in storage can be considered increased capacity, when in reality the tents are disintegrating and unusable, IFRC personnel urged interlocutors to discount any future utility of recollected tents. IFRC instead offered to assist them with procurement of new, fully reliable tents and other relief materials so that the Chinese Red Cross will end up with actual, usable stored capacity during future emergencies.

COMMENT

¶14. (SBU) COMMENT: Despite sometimes rudimentary methods of recordkeeping at the village level, distribution of the more than 1,400 tents that were procured by IFRC using USAID/OFDA funds seems to have taken place efficiently and transparently. While there were impromptu efforts by local IFRC staff during site visits to spread the word that tents should not be recollected, Post has since also urged IFRC's Beijing office to address this inconsistency formally with central authorities. Without a clear policy, poor accountability and diversion of used tents for other purposes would remain a possibility, as well as there being an increased likelihood of weakened response capacity if used tents are relied upon for future use. Post will continue to monitor the situation and advocate for the need to have authorities issue uniform guidance that clearly states IFRC's policy of having relief goods remain only with beneficiaries.

¶15. (U) This cable was coordinated with Consulate General Chengdu.

RANDT